

INTERNATIONAL FUND FOR ANIMAL WELFARE (IFAW)

(Limited by guarantee)

Company registered number 2701278

Charity registered number 1024806

**Amended Annual report and financial statements
for the year ended 30 June 2017**

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Annual Report and Financial Statements for the year ended 30 June 2017

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Trustees' report for the year ended 30 June 2017

Trustees and advisors

Trustees	Kathleen Savesky Buckley Mark T. Beaudouin Barbara U. Birdsey James C. Costa Graeme R. Cottam (appointed 15 February, 2017) Alexandra Denman (resigned 30 June, 2017) Joyce C. Doria Brian W. Hutchinson Margo L. Fitzpatrick (appointed 9 February, 2017) Margaret A. Kennedy Catherine H. Lilly Gregory J. Mertz (appointed 9 February, 2017) David A. Metzler (resigned 30 June, 2017) Debobrata Mukherjee Thomas P. O'Neill, III Susan J. Wallace
Executive management	Azzedine T. Downes, Chief Executive Officer Thomas M. Maul, Chief Financial Officer Philip Mansbridge, Regional Director – United Kingdom
Independent auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors	Bates, Wells & Braithwaite 10 Queen Street Place London EC4R 1BE
Bankers	HSBC Bank plc 28 Borough High Street London SE1 1YB
Investment advisors	Holden & Partners 113-117 Farringdon Road London EC1R 3BX
Brokers	Rathbones Investment Management Limited 159 New Bond Street London W1S 2UD
Principal & registered office	87-90 Albert Embankment London SE1 7UD

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Trustees' report for the year ended 30 June 2017 (continued)

The trustees present their report and the audited financial statements of the charitable company for the year ended 30 June 2017. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Structure and Governance

International Fund for Animal Welfare (IFAW) ("IFAW Charity" or "the Charity") is a private company limited by guarantee, registered in England and Wales (Company registered number 2701278), and is registered as a charity with the Charity Commissioners of England and Wales (Charity Commission registered number 1024806). IFAW Charity is based in London, and is part of a worldwide group of non-profit organisations, which collectively comprise the International Fund for Animal Welfare ("IFAW"). IFAW has offices in fifteen countries and supports animal welfare and conservation projects in more than forty countries around the world.

IFAW Charity was incorporated on 27 March 1992 in compliance with Companies Act 1985. Governance is by a Board of Trustees and Memorandum and Articles of Association. The Board of Trustees (also referred to as the "Directors", "Board of Directors", "BOD" or "BOT") is comprised of international members, two of whom are residents of the UK.

IFAW Commerce Limited, a wholly owned subsidiary of the Charity, had no activity for the year ended 30 June 2017. The organisation's primary activity ceased during Fiscal Year 2014 when the specialised research vessel, the Song of the Whale, was granted to Marine Conservation Research International (MCR). Under the terms of the grant they are required to use the vessel for IFAW charitable purposes for the rest of its estimated useful life of five years.

Trustee appointment

The guarantors of the Charity are the Trustees who are also the members. The liability of each guarantor is limited to £1. The Trustees who held office during the year are listed on page 2.

Potential Trustees are recommended by staff, friends or existing Trustees. Qualified Trustees are introduced through the nominating committee. Those recommended are then nominated and approved by the full BOT. Once appointed, Trustees participate in an orientation session and are provided a manual which contains information such as IFAW mission and values statements, organisational charts, BOT directory, programmatic overviews, BOT committee structures, financial overviews, by-laws and conflict of interest policy. The maximum number of Trustees is not limited, but the minimum number is three. At 30 June 2017 there were 16 Trustees.

Statement of Trustees' responsibilities

The Trustees are responsible for the strategic direction and policy of the Charity and for approving major commitments based on advice from staff and advisers. They are also responsible for the appointment, oversight and appraisal of the Chief Executive Officer. Day-to-day operations are delegated by the Trustees to the Chief Executive Officer, who leads the Executive Management Group.

The Trustees (who are also directors of the International Fund for Animal Welfare (IFAW) for the purposes of company law) are responsible for, and have, prepared the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Relationship to the International Fund for Animal Welfare, Inc.

The International Fund for Animal Welfare, Inc. (IFAW US), is a company established under the laws of the Commonwealth of Massachusetts (USA) and registered with the US Internal Revenue Service under Section 501(c)(3). As a charitable organisation IFAW US possesses a mission consistent with the objects of the Trust. In addition, IFAW US provides certain program, fundraising and administrative activities for all the IFAW entities. Such shared support includes shared finance, technology and human resource support. The cost of this shared support is reimbursed to IFAW US by the Charity at cost.

Relationship between IFAW Charity and International Fund for Animal Welfare IFAW in Action ("IFAW IA")

Financial interactions between IFAW Charity and IFAW IA, the Charity's UK based non-charitable affiliate, are defined within an Affiliate Agreement approved by the Trustees. The Charity maintains documentation of minutes and resolutions at its office. The Charity shares office space and some administrative services with IFAW IA. These services are defined in an Affiliate Agreement. IFAW Charity's Trustees are charged with ensuring that the formula for that Agreement is regularly reviewed for accuracy and representative apportioning. The apportioning methodology is reviewed periodically to validate time and effort analysis. Records and management documents are kept separately for the two organisations.

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Strategic Report

The objects of the Charity are to advance the welfare and conservation of animals throughout the world by reducing commercial exploitation of animals, helping animals in crisis or distress and working to prevent cruelty and suffering to wild animals and domestic animals; to protect, conserve and preserve terrestrial and marine wildlife habitats and to educate policy makers and the public in respect of the foregoing.

Our Vision: A world where animals are respected and protected.

Our Mission: IFAW protects animals and the places they call home.

Our Promise: We promise supporters and policy makers that we will (1) engineer solutions that benefit animals, people and the planet, and (2) activate where we are needed the most.

Our Belief: We believe animals matter to people and the planet. Based on that core belief and in order to achieve our vision, we follow a set of key principles that guide our hands-on projects and advocacy work.

- Animals should be recognised as sentient beings with intrinsic value.
- Policy should be based on sound science and the ethical treatment of animals.
- Conservation decisions should be guided by ecological sustainability and biological sustainability, the precautionary principle and ethical treatment of animals.

Risk management

The Charity faces many financial and non-financial risks. The Trustees actively monitor key risks, and perform periodic assessments of the effectiveness of its risk management systems and procedures. The assessment process includes:

- a review of the risks the Charity faces in fundraising, investment and reserves management and commitments;
- a review of systems in place to mitigate risk and provide timely information to down-turns in performance/revenue or upturns in program demand; and
- regular reviews and initiatives to minimise the impact of external risk factors on the Charity.

Reputation and external forces risk

IFAW Charity has established a reputation for being a leader in the field of animal welfare and habitat protection. The Charity takes strict measures to ensure that its program, fundraising, and governance activities comply with its charitable objects. Further, the Charity monitors external forces to evaluate compliance with relevant regulations and industry best-practices.

Financial and physical assets misappropriation risk

IFAW Charity maintains robust controls over its physical and financial assets. Controls are monitored and reviewed routinely to ensure that they are properly designed and functioning effectively.

Credit risk

Credit risk on amounts owed to the Charity is low. The majority of debtors relate to accrued legacies and amounts due from affiliated organisations.

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Income and liquidity risk

IFAW Charity is reliant upon donations from its supporters to finance activities in support of achieving its objects. Cash flows are continuously monitored and evaluated to ensure cash outflows associated with its operational activities are matched by inflows from donations and investment income. As noted in the Reserves Policy section (below), the Charity, with the other IFAW affiliated entities, intends to maintain global operating reserves equal to approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures.

Foreign exchange risk

The Charity maintains its funds in Sterling, and most expenses are incurred in Sterling and US dollars. The organisation has a foreign exchange management policy designed to reduce volatility and unpredictability of payments for purchases of goods and services denominated in other currencies. The policy provides for the Charity to enter into foreign currency purchase and sale contracts with other affiliated entities. At 30 June 2017 the organisation did have outstanding foreign exchange hedging contracts which are discussed further in note 20 to the accounts.

Employee safety risk

Employee safety (in the office and while traveling) is critically important to our work and our culture. Safety protocols and procedures are maintained to educate and prepare staff for workplace emergencies. Additionally, the Charity and its affiliates subscribe to a traveller assistance service which offers complete travel information and support (pre, during and post travel) along with complete medical and security incident management.

Data protection risk

Data protection has emerged as a significant risk for businesses and charities around the world. The most significant upcoming change is the new EU General Data Protection Regulation (GDPR) takes effect in May 2018. This will impact the UK and EU fundraising from mass channels as tighter regulation is being placed on data privacy and retention, impacting donor contact strategies. The Charity has established a dedicated position (Head Data Compliance and Fundraising Regulation) which is making strong progress toward GDPR preparedness.

Following the reviews of the Charity's risk management systems and procedures, the Trustees are satisfied that the above risks are adequately monitored and mitigated.

Financial reserves Policy

Careful consideration is always given to financial resource needs for planned program and emergency response activities as well as the Trustees' fiduciary responsibility to grow the Charity's funds base through prudent investment management.

The worldwide affiliated IFAW entities are financially and operationally interdependent. The Organisation's Financial Reserves Policy establishes discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

1. Operating reserves— cash and liquid assets intended to provide an internal source of funds for unforeseen situations that threaten budgeted activities
2. Strategic reserves – invested assets intended to provide unrestricted financial resources to support the organisation's long range strategic objectives
3. Donor endowed assets – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

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Donor endowed funds currently held by the Charity are permanently restricted, and therefore included with restricted funds on the balance sheet. Operating and strategic reserves are classified as general funds on the balance sheet.

These structures are intended to mitigate financial risks embedded in the Charity's operating activities and position the Charity to pursue programmatic and institutional program activities. IFAW aims to maintain global operating reserves of approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures.

At 30 June 2017, the operating and strategic reserves totaled £14 million (£6.8 million and £7.2 million, respectively). Operating reserves constituted approximately 4 months of Fiscal year 2017 annual expenditures (which meets the stated objective of maintaining a minimum of two months of operating expenses). This is a decrease from total reserves of £15.4 million at 30 June 2016. Given financial interdependency of the worldwide IFAW entities, local reserves are an important component of the operating reserve considerations.

Investment policy and performance

IFAW Charity's investment policy stipulates that investments be allocated between fixed income and equity investments in ratios ranging from 30% - 70%. Further, the policy provides for an ethical mandate which requires screening of all portfolios to ensure underlying investments are in companies engaged in animal and habitat-friendly business practices. Investment manager (Rathbones Investment Management Limited) compliance with the policy is monitored monthly by an investment advisor, Holden & Partners, and semi-annually by the Trustees for appropriateness considering performance and program demands.

During Fiscal year 2017, portfolio market values increased £897 thousand compared to the decrease of £100 thousand during fiscal year 2016. Fiscal year 2017 results reflect a strong market. Total managed investment holdings were £6.8 million at 30 June 2017 (2016: £5.8 million).

Remuneration Policy

Position descriptions form the basis of the Organisation's wage and salary program. Staff positions, including senior management roles, are evaluated and priced against market data that is obtained from an independent international compensation consultant. Each position is priced using relevant local data that is deemed representational of similar not-for-profits. The Chief Executive Officer's compensation level is reviewed against available market data and is approved (including changes) by the organisation's Executive Committee of the Board of Trustees. Key management remuneration is discussed further in note 6.

Grant Making Policy

IFAW Charity achieves its mission objectives through a combination of staff, vendors and partnerships. The Charity frequently engages in grant making as a means of delivering programmatic impact while maintaining flexible and efficient cost structures. Grants are awarded exclusively to Organisations that advance the interests of IFAW Charity. Grants are subject to underwriting procedures and formal documentation of terms and conditions. Grants are awarded to recipients that effectively demonstrate: expertise in areas of rescue and/or conservation; impact for animals and their environments; and accountability for funding. IFAW Charity typically requires recipients provide financial and non-financial reporting regarding the use and effectiveness of the funding. The level of monitoring and evaluation of grantees is commensurate with the value of the award, the nature of and timing of programmatic work and reputation and performance history of the grantee.

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Fundraising review

IFAW Charity continues to receive validation of its rescue and conservation work through the tremendous generosity of our donors. FY2017 fundraising results reflect the strength of our supporters commitment as well as the impacts of changes in fundraising strategies. Over the years, IFAW Charity has developed a variety of channels designed to engage a diverse donor base including direct marketing, digital marketing and planned giving. This multi-faceted approach enables the organisation to effectively communicate with donors about the issues that are most important to them in ways that resonate with them.

IFAW Charity understands that donor attitudes, public perceptions and regulatory environments are critical components of fundraising strategies. In addition, the Organisation takes seriously its obligation to maintain responsible cost structures to procure precious resources needed to improve the lives of animals. During FY2017 we continued to implement changes designed to be responsive to donor preferences and to maximize the impact of our fundraising efforts. In FY2018, the Organisation is committed to fundraising diversification and enhancing the donor experience with investment in activities such as digital advertising. New fundraising Codes of Practice and guidance have been issued and more are forthcoming, which will affect in particular the type activities that are used to acquire new donors.

Data protection

The forthcoming EU General Data Protection Legislation (May 2018) poses additional responsibilities on organisations to deal with data responsibly. IFAW Charity is fully committed to developing the highest standards of privacy and is reviewing and updating practices to ensure compliance. A new Head of Data Compliance role has been created to oversee and lead on IFAW's compliance with data privacy legislation. The Charity staff have received data protection training and IFAW Charity is committed to annual refresher training. A cross-department working group on Data Security has been instituted which meets regularly to identify opportunities to further strengthen IFAW's commitment to data security.

Financial review

The accounts, which constitute an integral part of this report, comply with the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice ("SORP"). The trustees consider that in preparing these accounts, they have consistently applied appropriate accounting and reporting policies supported by reasonable and prudent judgements and estimates where required.

Sources of funds for charitable expenditure

IFAW Charity's revenue sources in Fiscal Year 2017 were comprised primarily of monthly donations (sustainers), multi-purpose direct mail gift appeals (newsletters) that educate/advocate as well as fundraise, sweepstakes and legacies. The income produced from these activities totalled approximately £4.3 million (2016: £4.7 million), £2.9 million (2016: £3 million), £2.5 million (2016: £2.5 million) and £7.7 million (2016: £6.6 million) respectively. Gift aid income decreased to £1.7 million in Fiscal year 2017 (2016: £1.8 million).

Increased legacy income offset modest declines in monthly donations, newsletter appeals, sweepstakes and gift aid. The result was an overall increase in revenue of approximately £0.7 million. The Organisation anticipated the decrease in monthly donations and newsletter appeals which is primarily due to a mature file and decreased new investment to acquire new supporters. The Organisation expects decreases to continue over traditional revenue channels, while investment is being made to increase government funding.

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Expenditures of funds for charitable expenditure

Charitable expenditures for Fiscal Year 2017 increased to £21.8 million (2016: £18.9 million). Included in these expenditures are grants to like-minded organisations, which increased to £2.3 million (2016: £1.7 million). Overall grant expense, which includes grants to affiliated organisations, increased to £10.9 million (2016: £8.1 million). The overall result for Fiscal Year 2017 was a deficit of £1.4 million reflected utilization of significant portions of Fiscal Year 2016 surplus (2016: surplus £1.6 million), while maintaining an overall healthy financial position at year end.

PROGRAMS: Goals, Progress and Next Steps

Our Approach:

IFAW is a global non-profit organisation that protects animals and the places they call home. Our international programs are based in science, rooted in local communities, globally-scalable, economically-viable and always take the long view.

IFAW is part of a global network of organisations that work together to fulfil a shared mission.

Our work connects animal welfare and conservation, demonstrating that healthy species, populations, naturally sustaining habitats and the welfare of individual animals are intertwined.

We are international, with local expertise and leadership in all of our regional and country offices. Through strong international coordination, we leverage regional campaigns and projects to achieve global influence and impact.

IFAW UK applies strong policy, communications and project management expertise to pursue conservation and animal welfare impacts at national, regional and international levels.

We use our hands-on projects on the ground to effect change for animals and provide data to inform and influence policies and practices at the international, national and community level.

Our Team: Our global team includes rescue workers, conservation specialists, rural community development experts, wildlife crime prevention and enforcement professionals, veterinarians, policy experts, campaigners, scientists, educators and the highest quality support staff all driven by a determination to help animals in need and conserve species and landscapes.

WILDLIFE CRIME

IFAW Strategic Approach

Threat: Illegal commercial exploitation of wildlife

Illegal taking and trafficking threatens the conservation of many of the world's wild animal species. Inadequate legislation is further undermined by inadequate enforcement, prosecution and punishment, and exacerbated by corruption and poor governance. The profitability of illegal wildlife trade attracts sophisticated criminal networks which are known to also engage in activities such as trafficking in drugs, arms, humans, etc. This has a destabilising effect on ecosystems as well as the security and economic opportunities of communities and even whole nations.

The immense complexity of illegal trade in wildlife requires a complex response in partnership with governments, communities, NGOs and the private sector. IFAW's holistic approach involves collaboration across our programs to address key source, transit and consumer countries in Africa,

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the Middle East and Asia. IFAW advocates for supportive policies and funding opportunities within international conventions as well as within governments and institutions in Europe, North America and Australia. Our expertise in wildlife cybercrime lets us work closely with online companies and law enforcement globally to stop trafficking online wherever it occurs.

Source Countries – Stopping poachers before they kill is critical to protecting wildlife. In East and Southern Africa, IFAW is bringing together technical expertise, government contacts, and local community engagement in new ways to stop the killing through the tenBoma project.

Transit Countries - Working closely with national, regional and international partners, IFAW builds law enforcement capacity to increase successful interdiction of crime as close to the point of origin as possible, stopping shipments in transit across borders before they arrive in consumer countries.

Consumer Countries - In Asian consumer countries we must not only seek to strengthen legislation and law enforcement, but also to change societal attitudes and behaviours. Our awareness campaigns highlighting the cruelty innate to illegal wildlife trade and its threat to species survival are supported by social marketing strategies that seek to change behaviour of consumers who are critical to reducing overall demand.

FY17 Activities, Progress, Results and Next Steps

Malawi - Disrupting Ivory Trafficking Conduits with Coordinated Law Enforcement in Malawi (funded by IWT Challenge Fund)

IFAW has been working to protect wildlife in Malawi since 2012. The first project in and around Liwonde National Park established an electric fence around the park to protect elephants from conflict with humans and developed community cooperative farming initiatives that have improved local access to food and water outside the park and increased the average income per community member significantly.

With funds awarded by the UK Government (Defra) from the Illegal Wildlife Trade Challenge Fund, IFAW is now working to disrupt ivory trafficking conduits with coordinated law enforcement in Malawi. We aimed to create an operational Wildlife Crime Investigations Unit (WCIU) and Community Enforcement Networks (CENs) to investigate serious wildlife crimes, including elephant poaching and ivory trafficking. A specific objective was to create a dedicated, trained and resourced multi-agency WCIU designed to disrupt and dismantle organised wildlife crime syndicates operating in Malawi and cross border, while also hosting supporting workshops.

By creating empowered, trained and resourced CENs, communities should be more able to deter and report serious wildlife crimes in Malawi. Another objective is to create regular income for impoverished local people to improve livelihoods and help alleviate local poverty. This fiscal year, two effective CENs were created through the selection, training and granting of resources around two protected areas with critical elephant populations resulting in more than 300 CEN intelligence reports being received. Recruitment and specialist training for new WCIU recruits was achieved and the unit was resourced accordingly.

IFAW held three one-day workshops across Malawi which were attended by key partner NGOs and representatives from the Department of National Parks and Wildlife from Malawi and Zambia. A total of 35 households are benefiting directly from income owing to the newly established CENs, with an indirect benefit to more than 15,000 households through protecting iconic species within these community areas.

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In FY18, training, support and resources will be provided in order to continue to advance the already strong results from the WCIU and CENs. The project funding continues until the end of March 2018 and further funding will be sought to continue this work.

Stopping Poachers Before They Kill: tenBoma

tenBoma is a wildlife security initiative that anticipates, identifies, and counters threats to wildlife by applying predictive methodologies to determine when and where wildlife crime events are likely to occur. Data and reporting are continually collected in the field, aggregated with existing information, and analysed by security experts. This valuable synthesised information is shared with frontline enforcement personnel to address wildlife crime, as well as with local communities to help them address root drivers of wildlife crime.

tenBoma aims to solve the security challenge of scale by building linkages from community and community-based law enforcement to national, regional and international enforcement entities. By catalysing cooperation between diverse stakeholder groups, tenBoma denies safe-haven to wildlife crime, illuminates organised criminal networks and secures space for communities and conservation.

In 2017 tenBoma facilitated Kenya Wildlife Service (KWS) investigation, arrest and prosecution of 21 wildlife crime suspects whose cases are moving through the legal system. Associated confiscations included 27 tusks, and python and leopard skins. IFAW expanded the network of unique tenBoma collaborators to include additional conservancies, community organisations, government agencies, civil society, and UN bodies. The first Criminal Intelligence Wing at KWS HQ was established and given a national mandate. New training modules in first-responder wildlife forensics and legal frameworks benefitted 40 front-line KWS Rangers and community scouts. An important milestone for knowledge transfer was achieved as the first tenBoma-trained and mentored KWS officers and investigators achieved leadership positions in key conservation areas.

In a strong sign that tenBoma is making meaningful conservation impact in Kenya, the February 2017 aerial elephant census in Tsavo Conservation Area, a key operating area for tenBoma, showed a population increase of 15% from the last census in 2014, to 12,866 elephants.

tenBoma continues to identify emerging threats to wildlife, and works with our partners to counter such threats. Current operations continuing in FY18 are targeting use of poison arrows by poaching networks, Kenya-Tanzania transboundary wildlife trafficking networks, human wildlife conflict in the greater Kilimanjaro (Kenya-Tanzania) Transboundary Conservation Area, and Africa-Asia ivory flows transiting Jomo Kenyatta International Airport in Nairobi. In FY18, IFAW will pursue geographic expansion of tenBoma operating areas within Kenya and across the border into Tanzania, where elephant populations have been hard hit by poaching. Application of the tenBoma methodology to the threat of human wildlife conflict, and replication of tenBoma approaches in other countries, including India, Malawi, Zambia, and Democratic Republic of Congo, will also be priorities.

Increasing access to latest ivory fingerprinting technology

In FY17, IFAW was instrumental in getting the latest ivory fingerprinting technology into the hands of law enforcement officers in Kenya. Developed in the UK by the Metropolitan Police and King's College London, these kits will help law enforcers to gather vital evidence to disrupt the illegal wildlife trade. Police officers using the kit can now retrieve fingerprints from any ivory they seize for up to 28 days, rather than the one or two days possible with conventional dusting powders. More than 15 fingerprinting kits have now been successfully deployed in Kenya as part of the project and, used in

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conjunction with their intelligence and anti-poaching efforts, have already helped gather evidence in four cases with 15 arrests, including five police officers. As a result, 11 elephant tusks and 50 pieces of worked ivory have been seized.

Promoting conservation protections and youth engagement at the Convention on International Trade in Endangered Species of Fauna and Flora (CITES)

IFAW contributed to key conservation decisions at the 17th CITES Conference of the Parties (CoP) including increased conservation protection status of pangolins, Barbary macaques, African grey parrots, and several shark species, and passage of a wildlife cybercrime resolution. With support from Disney Conservation Fund, IFAW hosted the first Youth Forum for People and Wildlife on the eve of the CoP, convening 34 conservationists aged 18-25 from 25 countries including the UK, for networking and professional development experiences that motivated them to form their own organisation, Youth for Wildlife Conservation.

Advocating for a UK Ban on Ivory Sales

With around 20,000 elephants being killed each year for their tusks, the legal market for antique ivory offers an opportunity to mask the illegal trade and also to prop up the notion that ivory is desirable. For this reason, IFAW has been pushing strongly for a UK ban on ivory sales with considerable progress during FY17. The campaigns team briefed MPs ahead of debates on the UK ivory trade in Parliament in December 2016 and February 2017, earning several references from MPs who spoke at the debates. Meetings with key stakeholders including influential MPs from across the political parties took place in December 2016 and January 2017. IFAW worked with an MP to table an EDM (Early Day Motion) on the need to tackle the UK ivory trade, which had attracted more than 100 MP signatures by May 2017.

Going forward we will continue to advocate for a UK ivory ban and will seek a meeting with the new Secretary of State for the Environment, Food and Rural Affairs, Michael Gove MP. Additionally we will continue to drive forward the need for an ivory ban by hosting two Parliamentary receptions and the launch of a new report into the size and scale of the legal ivory trade in order to garner further support from MPs and key decision makers.

Public and Supporter Education and Outreach

During FY17, IFAW educated and engaged its diverse stakeholder audiences on a wide range of international and domestic wildlife crime issues, including efforts to prevent poaching, trafficking and private ownership of cheetahs and raising awareness on the threat of illegal Internet trade of wildlife and wildlife products, via offline, online and face to face approaches.

ANIMAL RESCUE

IFAW Strategic Approach

Disaster Response

Threat: Animals suffer in both natural and human-induced disasters, yet are rarely included in disaster preparedness, response and recovery plans.

IFAW addresses these threats by:

- ▶ Maintaining a constant state of preparedness to respond wherever in the world a disaster occurs.

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- ▶ Working with stakeholders from local, national and regional governments, NGOs, and intergovernmental agencies to incorporate animals into disaster preparedness, response and recovery plans.
- ▶ Establishing networks of professional responders in disaster 'hotspots' through the development of Emergency Relief Networks (ERNs). We build local capacity to prepare for and respond to disasters through trainings, provision of equipment, and the development of collaborative networks.

FY17 Activities, Progress, Results and Next Steps

During FY17 IFAW responded to 14 emergencies on five continents. The wide range of disasters included floods, fires, hurricanes, animal cruelty, droughts and political conflict. Animals rescued or treated with IFAW's support included elephants, rhinos, cows, horses, koalas, birds, dogs, cats and backyard farm animals. IFAW has developed Emergency Relief Networks in key, vulnerable regions to enable more rapid and effective response to disasters. In FY17, four ERNs – in India, South East Asia, South America and the United States - played an active role in rescuing, feeding, sheltering and vaccinating animals in disasters. IFAW provided trainings to build capacity and improve local response to disasters in communities across the globe. In total, IFAW trained 70 people in disaster response methods and protocols.

In FY18 IFAW will maintain its readiness to respond to disasters worldwide, directly, via support of Emergency Relief Networks and via grants to local organisations. Preparations will include hands on training in incident response procedures, technical rescue skills, land navigation, and disaster contingency planning. In addition, work will continue to develop IFAW's disaster preparedness and response strategy across Africa, in Europe and European overseas territories.

Wildlife Rescue

IFAW Strategic Approach

Threats: Poaching, illegal trade, human-animal conflict, and habitat degradation are three of the main human-induced drivers for the work of the Wildlife Rescue team. Disease outbreaks and other natural threats can also lead to animals in need of rescue, rehabilitation and release into a safe habitat.

IFAW addresses these threats by:

- ▶ Rescuing, rehabilitating and releasing animals into secure habitats, taking into account the needs of surrounding communities. We do this through direct action and partnerships with organisations around the world.
- ▶ Promoting best practices that ensure the welfare of animals that cannot be released and must remain in sanctuaries for lifetime care.
- ▶ Incorporating scientific methodology into our rescue projects and responses to improve the welfare and survival of individuals and to inform management and conservation efforts across species.
- ▶ Establishing robust post-release monitoring programs in key projects to document not only survival, but successful integration into the wild population.
- ▶ Maintaining a constant state of readiness for the response to stranded dolphins, whales, porpoises and seals on Cape Cod and anywhere in the world we may be called.

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FY17 Activities, Progress, Results and Next Steps

Centre for Wildlife Rehabilitation and Conservation (CWRC)

Launched in 2002 in northeast India, the Centre for Wildlife Rehabilitation and Conservation (CWRC) aims to reduce the impact of natural and man-made threats on individual animals while supporting the recovery of wildlife populations in Manas National Park by successfully releasing rehabilitated animals. A joint venture between Wildlife Trust of India, IFAW and the Assam Forest Department, CWRC is strategically located near Kaziranga National Park, a UNESCO World Heritage Site and home to the world's largest population of the greater one-horned rhinoceros and other wildlife including the endangered Royal Bengal tiger and the Asian elephant. A Mobile Veterinary Service is stationed at CWRC to provide medical aid to stranded, displaced or distressed animals and to transport cases requiring further care to the centre or back to the wild. Via trainings and education work, CWRC also aims to raise awareness and sensitivity of communities so that they respond appropriately when they encounter wildlife. To date, CWRC and its Mobile Veterinary Services have responded to more than 5,300 wild animals in distress, representing more than 260 species.

During FY17, CWRC handled 182 cases, and its Mobile Veterinary Service responded to 374 animals in distress, representing more than 40 species. During the early months of FY17 the most severe flooding in nearly 20 years ravaged Kaziranga with nearly 80% of the park submerged and more than 450 animals, including 26 rhinos, drowned, leaving an overwhelming number of orphans needing care. Mobile veterinary service units rescued eight orphaned rhino calves and brought them to the centre to be hand-raised. All responded well to treatment and began progressing through the rehabilitation process with the aim of eventual release. The centre has also responded to incidents of elephant calves suffering accidents in human infrastructure such as water tanks, and rescues of big cats such as leopards and tigers involved in human-wildlife conflict. Releases during this period have included a pair of western hoolock gibbons and three orphaned Indian jackal pups, in addition to the first ever mass capture and translocation of swamp deer. Education work and flood awareness work have reduced the number of unnecessary rescues and improved outcomes. In addition, focused patrolling along key highways reduced the number of elephants hit by vehicles during this period.

Looking to FY18, five elephant calves will soon be ready for reintegration into the wild, and we aim to release them into Manas National Park in the coming year. We will strive to continue to improve health outcomes for CWRC patients through professional development and research partnerships with veterinary colleges. There will be continued development of the Kaziranga Discovery Centre, a new public education facility on the CWRC campus which is designed to raise the visibility of CWRC and strengthen community coexistence with wildlife.

Game Rangers International - Elephant Orphanage Project (EOP), Zambia

Poaching of elephants for the ivory trade is at crisis levels with baby elephants left orphaned after the slaughter of their mothers, aunts and other family members. Rescue and specialist care is necessary to save these animal orphans which are known to mourn and suffer extreme trauma after witnessing the violence of poaching. The aim of the Elephant Orphanage Project (EOP) in Lusaka, Zambia is to rescue, rehabilitate and release orphaned elephants back into secure landscapes in nearby Kafue National Park.

During FY17 three orphans were cared for at the EOP, along with 11 at the secure release facility at Kafue National Park at various stages of rehabilitation. Orphans continue to receive the care they need at their various stages of rehabilitation. As they mature they spend more time with other elephants in the park and begin to form bonds as they gradually prepare for full release into the wild.

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The EOP also ensures effective data collection through satellite collaring in a bid to improve understanding of elephants, and to provide improved care for future orphans.

In FY18, the project will continue its rescue, rehabilitation and release program with tracking and post-release monitoring work. Staff will observe and record herd composition, general activity, as well as individual behaviour and social interactions, which will allow the team to identify any abnormal behaviour so that efforts to ensure the orphans' recovery can be initiated as soon as possible. The longer term goals will involve monitoring release success. EOP will also continue working to find new ways to mitigate against human elephant conflict.

Marine Mammal Rescue and Research

The hook-shaped peninsula of Cape Cod is known as one of the world's cetacean stranding hotspots. IFAW's Marine Mammal Rescue and Research (MMRR) team's mission is to promote the conservation of marine mammal species and their habitat by: 1) improving rapid response and humane care to stranded marine mammals; 2) advancing stranding science; and 3) increasing public awareness through education.

- During FY17, the team and its extended volunteer network responded to 415 stranded or injured marine mammals: 171 live animal responses (33 pinnipeds, 138 cetaceans), and 244 dead animals (133 pinnipeds, 111 cetaceans), achieving a successful release rate of approximately 72%. Notable rescues this year included the largest mass stranding of Risso's dolphins, 10 individuals, that IFAW had ever documented; the successful rescue and transfer for rehabilitation of Washburn the pregnant manatee who had wandered too far north into cooling Cape Cod waters and has since been tracked post-release off the coast of Florida; and the pioneering of a remote sedation darting technique for disentangling seals from embedded fishing line.
- In FY18, the MMRR team anticipates contributing to marine mammal science through several peer reviewed publications, continued collaboration with National Aeronautics and Space Administration (NASA) in the US to explore possible atmospheric causes of mass stranding events, and enhancing its technical assistance to countries experiencing or preparing for marine mammal emergencies.

Tiger Rescue, Rehabilitation, Release and Protection in Russia

Only about 500 Amur tigers remain in the wild. For more than 10 years, IFAW, in collaboration with government agencies and local NGOs, has been working to help the population to recover, one animal at a time, by securing critical habitat, preventing poaching, and rescuing and rehabilitating orphaned and injured tigers for release in the wild.

In this fiscal year, we have continued to build on our progress. IFAW initiated and sponsored research to identify the most viable sites for tiger releases, which has informed releases this year and is available to all organisations involved in tiger releases. At fiscal year end, two one-year-old cubs from two different rescues were being rehabilitated at the TRNGO tiger centre. Vladik, a young male found wandering the streets of Vladivostok, was rescued in October 2016 and released in May 2017 into the northern part of Primorsky Krai. Filippa, a tigress orphaned by poachers, was also released in May 2017 and was being monitored post-release with a satellite tracking collar. In an important example of how rescuing individuals contributes to the conservation of species, images captured in

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May 2017 from camera traps supplied by IFAW have confirmed that Svetlaya and Borya, tigers released in 2015, have had at least one cub in the wild. Equipment and supplies provided by IFAW have been deployed to prevent poaching and other illegal activities, as well as to combat forest fires in the region. Efforts to foster positive conservation and animal welfare behaviours in the communities near tiger habitat continued in FY17 as IFAW co-hosted Tiger Day, the largest environmental event in Russia, reaching 10,000 people. In cooperation with Wildlife Trust of India, IFAW again sponsored the Ranger of the Year awards, which sent outstanding rangers to India to learn from their peers.

In FY18, IFAW will support the successful release of cubs ready to be returned to the wild, continue to build the capacity of wildlife law enforcers to ensure a safe home for released tigers, and will continue to support post release monitoring to improve rehabilitation techniques and document evidence of conservation impact.

Public and Supporter Education and Outreach

During FY17, IFAW educated and engaged diverse stakeholder audiences on animal rescue issues including the complex, long-term process and needs for rehabilitating elephants in India and Zambia and tigers in Russia; and disaster preparedness and response efforts worldwide.

LANDSCAPE CONSERVATION

IFAW Strategic Approach

Threat: Habitat loss, fragmentation and degradation

Population demographics, development pressure, inadequate land management, competitive land use and/ or poor land-use policies continue to reduce space and resources for wildlife populations and often result in increased human-wildlife conflict in areas where communities and wildlife occupy the same space and utilise the same resources. The effects of climate change will only increase the pressure on vital resources for both animals and people.

The Landscape Conservation Program seeks to protect wildlife and the places they call home by implementing integrated, long-term, multi-program approaches in defined landscapes where one or more keystone species are vulnerable or endangered and would no longer be able to survive in this landscape without human intervention. IFAW has prioritised key landscapes in east and southern Africa and south Asia based on the severity of the threats, the viability of the landscape, and our ability to effect positive change.

IFAW's direct interventions include animal rescue, rehabilitation and release, translocation of orphaned or injured animals back into viable habitat, and re-introductions for protection or recovery purposes. Indirect interventions include counter-poaching, counter-trafficking, and policy and community development projects designed to alleviate human-caused threats. In many cases, these landscapes cross borders, adding new levels of challenge and opportunity to our work. Successful IFAW interventions in these landscapes rely on sound scientific grounding, an effective field presence, and strong relationships - with local communities, key institutional partners and national governments.

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FY17 Activities, Progress, Results and Next Steps

Restoring and Sustaining the Greater Manas Landscape in India

The wildlife of Manas National Park in Assam, India, bore the consequences of severe civil unrest in the region during the 1980s and 90s. The park's infrastructure was severely damaged and poaching and encroachment on forest land was rampant. Park staff were killed and rhinos disappeared completely from the park. In 1992, UNESCO declared Manas a World Heritage Site "in danger". Through the efforts of IFAW and partner Wildlife Trust of India, Manas was restored to the point that it came off the "danger" list in 2011. Today, wildlife in northeastern India and Bhutan still faces pressure from increasing human population, natural disasters, poaching, degraded and fragmented habitat, and human-wildlife conflict. IFAW and WTI continue to work with local communities to combat these threats and ensure a positive future for wildlife.

IFAW and WTI's efforts in the Greater Manas Landscape focus on rescue, rehabilitation, release and post-release monitoring of individual animals and on-the-ground conservation initiatives to bolster landscape recovery, including law enforcement trainings. In addition, culturally sensitive livelihood and education initiatives, such as weaving, have been promoted with local Bodo communities and capacity has been built to ensure adequate preparation for disasters. The goal is to achieve a reduction of the consumption of fuel wood by around 25% in 1,900 households and 100 commercial premises. So far, 1900 households have received the cookstoves and more than 70% of the stoves are being used regularly. Additionally, 10% of these households have also adopted LPG as an alternative source of fuel. During this period, training and sourcing of fuel efficient Improved Cook Stoves in domestic and commercial establishments took place and local people were trained to make portable and more efficient stoves. In the same period, two weaving centres were completed, which led to more than 25 women working in weaving and procuring orders from a local NGO specialising in handmade artisan products.

In FY18 IFAW and WTI will continue working with communities to mitigate human-wildlife conflict, to establish model weaving centres in additional village clusters and roll out the model Improved Cook Stoves in additional commercial and household premises. More social and political leaders and student leaders will be encouraged to take part in the Manas Pride campaign, which aims to strengthen the connection between local young people and the wildlife that surrounds them. Legal assistance will be provided to Manas Tiger Reserve authority for enhancing conviction of registered cases and efforts will continue to legally add the remaining 600sq kms of the entire Greater Manas landscape to National Park status.

Protecting British Wildlife

IFAW works to protect British wildlife. In FY16 our two primary focus areas remained hunting with hounds and badger culls. We work to protect the Hunting Act from possible repeal or attempts to weaken its contents, as well as any overt violation of the law by hunt groups. We also campaign for an end to the cruel, unnecessary and unscientific badger cull. We use political advocacy and public engagement work to counter perceived threats to the Hunting Act, and to remove the cull element from the overall strategy to tackle bovine TB (bTB).

We publicised the start of the badger cull season to politicians and the public in September 2016 and secured press coverage of our response to the publication of the number of badgers killed during the 2016 culls at the end of the year. In Scotland, the Bonomy review of the Protection of Wild Mammals Act was published in November and IFAW quickly responded. In January 2017 IFAW responded to the Welsh Government's consultation on its renewed bTB strategy which suggested the inclusion of

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targeted badger culls in selected, high risk farms. IFAW supported a Government e-petition on the badger cull, promoting it to supporters. The petition attracted more than 100,000 signatures and the issue was debated by MPs in Westminster Hall in February. Our General Election manifesto included calls to end the badger cull and protect the Hunting Act. In June we highlighted both campaigns to members of the public with a stand at the annual Birmingham Wildlife Festival.

In FY18, IFAW will support members of the National Trust whose aim is to try to change the organisation's policy on allowing trail hunting on its land. Our report 'Trail of Lies' will continue to be a key tool in the overall campaign and we will be working to ensure it is widely referenced in press and social media. We intend to respond publicly to the new badger cull licences for an increased cull zone and continue to work with MPs and grassroots supporters on this issue. IFAW is awaiting details of a Scottish Government consultation on changes to the Protection of Wild Mammals Act and will respond formally should this consultation open.

Public and Supporter Education and Outreach

During FY17, IFAW provided information and engagement opportunities for offline and online audiences on wildlife conservation issues including the contribution of rescue, rehabilitation and release of individual animals to conservation of species including rhinos, elephants and tigers; landscape conservation projects in Kenya, Malawi and India; and prevention of trail hunting in the UK.

COMMUNITY ANIMALS

IFAW Strategic Approach

Threat: Dogs, cats and other animals living in close proximity to people may suffer in communities where their needs are not adequately addressed. In many underserved communities, neglect and poor welfare of animals results from insufficient owner awareness or resources. In other cases, inhumane management systems and practices cause needless suffering.

IFAW seeks to reduce the suffering of community animals in key IFAW regions by helping communities struggling with domestic animal management concerns to develop solutions which are humane and sustainable. We do this through:

- **Veterinary Care and Outreach** - Through partnerships, IFAW provides primary veterinary care, humane outreach, and education to disadvantaged communities. IFAW also works to support the development of partner organisations whose hands-on work saves lives, through strategic, operational and financial support.
- **Humane Community Development** - IFAW empowers communities to take charge of their own community animal challenges and find long-term humane solutions. We bring stakeholders together, providing them with the skills to identify their unique problems and find effective ways to address them sustainably. As a leader in community animal welfare, IFAW also aims to bring community-centred, sustainable solutions to the forefront.

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FY17 Activities, Progress, Results and Next Steps

Preventing Rabies and Improving Community Animal Welfare in Bali

Following a suspected rabies case on the Indonesian island of Bali in 2008, the Balinese government adopted a strategy of poisoning dogs with strychnine in an attempt to battle the outbreak. Not only did dogs suffer long and painful deaths, but the tactic proved ineffective in tackling the disease and the epidemic grew faster. In response to this, IFAW stepped in with a pilot project designed to test a model that could be replicated across the island to stop the spread of rabies and improve animal welfare. The pilot achieved a near total eradication of rabies in 20 communities and a significant reduction in the abandonment of unwanted puppies, sale of sick or unwanted dogs to dog-meat restaurants, incidents of neglected dogs, abusive behaviour to dogs and culling due to rabies fears.

Building on this successful pilot effort, Program Dharma, a collaboration with Bali Animal Welfare Association (BAWA) and Udayana University, aims to achieve 70% rabies vaccination coverage in 28 additional communities. Program Dharma mobilises the latest research in epidemiology and human behaviour. Recent veterinary and public health graduates work closely with local community coordinators to conduct education and outreach in local communities, using state-of-the-art tablet-based case management and data collection methods.

Since Program Dharma began, there have been zero suspected cases of rabies in target communities. Within the last year, the project team has counted 5,500 dogs in 28 communities, educated over 2,000 dog owners and conducted 30 community health days that have led to 220 sterilisations and 800 vaccinations. Within one village, vaccination coverage has increased by nearly 20 percent. Other villages have seen thin and emaciated dog numbers drop and the number of roaming dogs and those being sold to the dog-meat trade has been drastically reduced.

In FY18, the program will sustain its efforts in the 28 villages to mitigate the threat of rabies in humans and dogs, improve dog welfare, and build community capacity to resolve dog issues humanely.

Community Led Animal Welfare (CLAW) in South Africa

Basic veterinary services are often unavailable or out of reach to those in the world's poorest communities. Located close to the huge townships of Soweto, CLAW provides a free and permanent resource for a community of more than 300,000 people and their pets. The CLAW team makes daily rounds to communities that cannot reach the clinic. Pets are commonly treated for mange, distemper and parasites. We work to find homes for abandoned or stray animals as well as teaching people how to ensure their pets have a chance at a healthier and safer life.

After being forced to evacuate their base in Durban Deep for two years due to local violence, CLAW returned to its home in September 2016 with all staff again working from the clinic. The community outreach program has continued, offering vaccinations and deworming and treating hundreds of pets for ticks and fleas via the mobile units. CLAW also continues to educate communities about good pet care with its work in schools. During FY17, approximately 100 young people have taken part in these sessions. The team even dealt with a surprising number of vervet monkey rescues in January 2017, with all five trap and release operations a success. Over the last financial year, CLAW has also vaccinated 7,030 pets, while finding new homes for 75 homeless cats and 160 abandoned dogs. The impact of CLAW can perhaps be seen best in the increase in average lifespan for companion animals in these communities from two years when the project began in 1992, to eight years today.

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In FY18, the project aims to extend its reach to even more communities in the growing Johannesburg townships, caring for sick dogs and cats and providing a space for people to adopt abandoned pets. Clinic cages will be refurbished or replaced and some of the hospital space and outside areas will be upgraded. These improvements will enable us to hygienically care for pets as well as providing a welcoming environment to potential new adopters.

Advocating for Stronger Protections for Dogs in the UK

PUPS Campaign

IFAW is campaigning to end cruel puppy farming by convincing the UK public to avoid irresponsible puppy buying, particularly online, and by lobbying for a UK ban on the sale of puppies without the mother present. A pro-bono partnership with creative agency J. Walter Thompson led to the development of a public facing campaign using the PUPS acronym that acts as a memory aid for the following things a potential puppy buyer should look for: Parents, Underage, Papers, Sickness.

The campaign materials and video were promoted online and via social media as well as at key dog-related events and a Parliamentary reception attended by about 40 politicians and other VIPs. Unique promotional materials, social media engagement opportunities and a summary report of the issues containing case studies and expert opinions were utilized to build support with policy makers. Meetings were also held with other relevant stakeholders. The PUPS video gained around 50,000 views on the IFAW website, YouTube and other channels and was featured as 'Campaign of the Week' in Brand Magazine, also winning an award at Eurobest, one of the creative industry's flagship award ceremonies. The IFAW team promoted the PUPS campaign at a host of dog related events, including Hounds on the Heath and PupAid.

A key result during FY17 was that the House of Commons Environment, Food and Rural Affairs (EFRA) Committee included a recommendation in a key report that the Government should ban third party sales of dogs. Political advocacy continues in this area as the Government is yet to introduce a third party sales ban. IFAW is actively involved in the formation of a new All-Party Parliamentary Group for Dog Welfare. We continue to drive awareness of the cruel puppy trade and plan to participate in next year's PupAid event, as well as attending key marches and activities designed to heighten awareness of the issue.

Finn's Law

In October 2016 police dog Finn hit the headlines after narrowly surviving being stabbed in the head and chest while protecting his handler PC Dave Wardell from a violent offender. Finn's story highlighted the fact that police dogs and other service animals were classed as property and hence attacks on them were treated as criminal damage, leading to only low level punishment by the courts. IFAW supported the Finn's Law campaign by attracting traditional media, social media and political attention to push for an increase in maximum sentencing for attacks on service animals, from six months to five years. In February it was announced that under new Sentencing Council guidelines, an attack on a police dog would no longer be classed as damage to property but treated as an aggravated attack on a living, sentient being.

Public and Supporter Education and Outreach

During FY17, IFAW educated and engaged its diverse stakeholder audiences on a wide range of international and domestic community animal issues, including the puppy mill public awareness campaign in the UK, efforts to improve animal welfare, respond to disasters and fight rabies in underserved areas in Mexico, Bosnia, Bali, Ukraine, Northern Canada and South Africa.

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MARINE CONSERVATION

IFAW Strategic Approach

Threat: Inadequate protection for marine species and habitat from human activities

Our ocean planet faces more threats to marine species and habitat than ever before. IFAW is working to conserve and protect threatened marine species and the places they call home by preventing deadly ship strikes and gear entanglements, reducing underwater noise pollution, increasing protections for migratory corridors and habitat, highlighting the threat of the marine species trade, and protecting the global whaling ban.

IFAW's strengths in the marine conservation space include our international structure, positive, pragmatic approach, longstanding partnerships with key government, private sector, academic and NGO decision-makers, and strong track record in relevant institutions including the International Maritime Organisation (IMO), the Convention on International Trade in Endangered Species (CITES), the Convention on Migratory Species (CMS), and the International Whaling Commission (IWC). We continue to utilise IFAW's unique scientific expertise to develop partnerships focused on practical solutions to ship strikes, entanglement, ocean noise pollution, and other regionally identified threats with the goal of protecting more marine animals and habitat throughout the world. IFAW's strategy for reducing and eventually ending commercial whaling concentrates on changing attitudes inside Iceland, Japan and Norway and promoting livelihood alternatives such as responsible whale watching.

FY17 Activities, Progress, Results and Next Steps **Encouraging Whale Friendly Policies**

IFAW supports efforts in Iceland to end the cruel practice of commercial whaling and promote responsible whale watching as a sustainable alternative. Creation of a Faxaflói Bay whale sanctuary would provide a refuge for whales in this valuable whale watching area outside Reykjavik Harbour. The 'Meet Us Don't Eat Us' campaign encourages tourists, as well as restaurants, to avoid whale meat and support responsible whale watching.

In FY17, new support from high profile Icelandic musicians enabled a public petition to the Icelandic Minister of Fisheries opposing whale meat to reach a record 100,000 signatures. Visits by UK Members of Parliament during the summer demonstrated political interest in the whaling issue from outside the country. Three new restaurants in Reykjavik declared themselves Whale Friendly, bringing the total to 84.

In FY18, efforts will focus on building public and political support for a Faxaflói Bay whale sanctuary and maintaining momentum against consumption of whale meat.

UK Political Advocacy

IFAW's UK political advocacy on marine issues utilises various international bodies, including the International Whaling Commission (IWC) and International Maritime Organisation (IMO), to promote the conservation of iconic marine species around the world. The key priorities are to 1) undermine commercial whaling by creating a more difficult international environment for Japan, Iceland and Norway to continue their whaling activities, and 2) improve international whale conservation by addressing the serious threats of ship strike and ocean noise.

We aim to lever our consultative status at the IMO to ensure ship strike reduction measures are implemented in high risk areas and that underwater noise from shipping is addressed at a global level by both governments and the shipping industry. We are also working to gather support for and to help

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strengthen key pro-whale resolutions tabled at IWC66 by meeting with influential IWC commissioners and Government contacts. In addition, we encourage the UK Government to prioritise the protection of marine life in UK waters and work to ensure that a strong, pro-whale EU Common Position is adopted for the next three meetings of the IWC. During FY17 we have attended both the IMO Sub-Committee meeting on Safety of Navigation, Communication and Search and Rescue (NCSR) and the 71st session of the Marine Environment Protection Committee (MEPC), where proposals and papers were put forward on ship strike risk reduction and underwater noise reduction.

IFAW sent an expert delegation to the 66th meeting of the IWC in Portoroz, Slovenia in October, the first full Commission meeting since Japan resumed so-called scientific whaling in the Southern Ocean, despite the World Court ruling its previous Antarctic whaling was illegal. Our team lobbied governments to make strong statements against Japan's whaling, to support the creation of a South Atlantic Whale Sanctuary and to support additional conservation initiatives. Working with other NGOs we put together a joint submission on the future EU Common Position for the IWC. We continue to lobby the UK Government to help influence UK IWC priorities and to ensure a final IWC EU Common Position is agreed upon that strongly focuses on whale conservation. IFAW is also working to ensure that IMO delegations supporting the paper on underwater noise reduction also submit a progress report at the 72nd MEPC meeting.

Public and Supporter Education and Outreach

During FY17, IFAW's efforts to educate and engage its diverse stakeholder audiences on conservation issues focused on ending consumption of whale meat and expanding whale sanctuary protections in Faxaflói Bay, Iceland, the need to maintain pressure on the Canadian government to end the commercial seal hunt, and the Whale Alert applied mobile technology to reduce ship strikes.

EDUCATION

IFAW Strategic Approach

Threat: Lack of positive animal welfare and conservation attitudes and behaviours

IFAW's Education approaches are tailored to the needs and desired behaviour of specific target audiences. Ranging from formal school curricula to digital media campaigns to local community interventions, these approaches empower young people and communities to take positive action for animals in more than 24 countries around the world. The strategy includes:

- Supporting IFAW's holistic, multi-programmatic engagements in key regions by developing education and community projects that have the most potential for direct, measurable impact.
- Sustaining engagement of educational constituencies built over 20 years of IFAW's Animal Action Education (AAE) regional projects across the world, by ensuring that educators and strategic partners worldwide are aware of and have access to the IFAW AAE library of regionally-relevant teaching resources, which support integration of animal welfare and conservation themes with school curricula.

FY17 Activities, Progress, Results and Next Steps

Adapting Animal Welfare Education Materials for Special Needs Students

In October 2016, IFAW launched a new, free, all-age Special Educational Needs (SEN) school resource entitled **Cats, Dogs and Us**. Cats and dogs have been shown to be incredibly important to children with special needs and disabilities, with studies demonstrating that animals can provide a

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conduit to helping develop children's emotional needs, social skills and communication. The online pack includes a colourful magazine to share with students and lesson plans focusing on different areas of the curriculum including drama, citizenship, literacy, Physical Education, Personal, Social, Health and Economic education (PSHE) and science. Accompanying the lesson plans are a number of supporting resources and activities, including songs about cats and dogs, animal sensory experiences to explore with students, symbols to support communication, role-play activities and suggestions for a public performance based on students' learning.


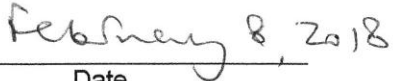
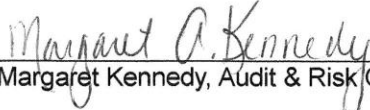
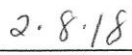
In FY18, IFAW will continue to promote access to this curriculum as well as the entire library of free online educational resources.

Partnering with Universities

The University of Winchester has partnered with IFAW to create a new generation of animal welfare experts and ensure that animal welfare is recognised and respected as an expert discipline in its own right. The agreement includes plans for IFAW to give guest lectures at the University about animal welfare in action within the animal welfare and conservation sectors, and to offer work placements and volunteering opportunities to students studying at Winchester. Both organisations will also work closely on research to fill gaps in understanding about current and future animal welfare issues.

In FY18 we intend to implement the first stages of the partnership, including an IFAW guest seminar to students and the public at the University and the launch of the inaugural IFAW Essay Competition, and to explore opportunities for our first work placements.

The Trustees' Report and the Strategic Report were approved on behalf of the Trustees on 8 February 2018 and signed on their behalf by;

	
Graeme R. Cottam, Trustee	Date
	
Margaret Kennedy, Audit & Risk Oversight Committee Chair	Date

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INTERNATIONAL FUND FOR ANIMAL WELFARE (IFAW)

Opinion on financial statements

We have audited the financial statements of International Fund for Animal Welfare (IFAW) (the 'charitable company') for the year ended 30 June 2017 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN FCA DChA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: *14 February 2018*

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 30 June 2017

	Note	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 Total £
Income from:					
Donations and legacies	2	19,522,785	303,037	19,825,822	19,121,373
Grants from connected organisations	15	-	136,089	136,089	167,128
Lottery revenue		-	-	-	328,751
Interest and Investment income		155,872	-	155,872	159,111
Total income		19,678,657	439,126	20,117,783	19,776,363
Expenditure on:					
Raising funds	3	3,534,022	-	3,534,022	3,717,080
Charitable activities	3	17,901,779	393,062	18,294,841	15,158,285
Total expenditure		21,435,801	393,062	21,828,863	18,875,365
Net (resources expended)/incoming resources before investment gains		(1,757,144)	46,064	(1,711,080)	900,998
Net gains on investments		797,375	-	797,375	608,865
Net (resources expended)/incoming resources		(959,769)	46,064	(913,705)	1,509,863
Other recognised (losses)/gains		(454,957)	-	(454,957)	65,910
Net movement in funds		(1,414,727)	46,064	(1,368,663)	1,575,773
Reconciliation of funds					
Total funds brought forward	16	15,416,779	3,588	15,420,367	13,844,594
Total funds carried forward		14,002,052	49,652	14,051,704	15,420,367

The notes on pages 29 to 47 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Statement of Financial Position at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	21,454	32,684
Investments	9	6,799,463	5,804,730
Other investments	9	<u>151</u>	<u>151</u>
Total fixed assets		6,821,068	5,837,565
Current assets			
Debtors	10	3,921,704	4,592,934
Cash in bank and in hand		<u>4,694,245</u>	<u>6,512,281</u>
Total current assets		8,615,949	11,105,215
Liabilities			
Creditors falling due within one year	11	<u>(1,385,313)</u>	<u>(1,522,413)</u>
Net current assets		7,230,636	9,582,802
Net assets		14,051,704	15,420,367
The Funds of the charity			
Unrestricted income funds	16	13,324,820	15,416,779
Restricted income funds	16	<u>49,652</u>	<u>3,588</u>
Total charity funds		13,374,472	15,420,367

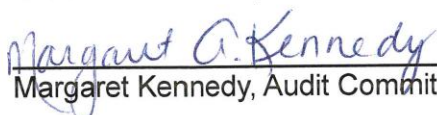
The Trustees can confirm:

- 1) That the new accounts replace the original accounts
- 2) That these are now the statutory accounts
- 3) That they are prepared as they were as at the date of the original accounts

The financial statements on pages 26 to 47 were approved by the board of trustees and authorised for issue on 8 February 2018 and signed on its behalf by:



Graeme R. Cottam, Trustee



Margaret Kennedy, Audit Committee Chair

The notes on pages 29 to 47 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Statement of cash flows for the year ended 30 June 2017

	Note	2017 £	2016 £
Cash provided by operating activities	17a	(1,551,239)	360,842
Cash flows from investing activities			
Interest & investment income		147,831	159,111
Payments to acquire tangible fixed assets		-	(9,054)
Proceeds from sale of tangible fixed assets		-	-
Payments to acquire fixed asset investments		(386,343)	(782,698)
Proceeds from sales & maturities of fixed asset investments		193,989	892,074
Cash provided by investing activities		(44,523)	259,433
Increase in cash and cash equivalents in the year		(1,595,762)	620,275
Effect of foreign exchange rate changes		(222,274)	(59,760)
Cash and cash equivalents at the beginning of the year		6,512,281	5,951,766
Total cash and cash equivalents at the end of the year	17b	<u>4,694,245</u>	<u>6,512,281</u>

The notes on pages 29 to 47 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. International Fund for Animal Welfare (IFAW) meets the definition of a public benefit entity under FRS 102. The statements are presented in the functional currency of the Organisation, British pound sterling (GBP).

Going Concern

The Charity has adequate financial resources and the trustees consider it is well placed to manage the business risks. As explained in the Trustees Report, the planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditures. The trustees have a reasonable expectation that the charity has adequate resources and are of the view that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the basis that the charity is a going concern.

Financial Statements

The accounting policies are set forth below:

Funds

General Fund

This fund is not restricted as to its use and is for activities that fall within the objects of the charity. The General Fund is available to fund the annual expenditure of the Charity.

Designated Funds

These are funds set aside by the Trustees out of unrestricted general funds for particular future purposes or projects. The Trustees have designated funds to generate income to fulfil the long term objects of the charity. The income generated by this fund remains within the fund. The fund and current needs of the charity are reviewed on a regular basis and transfers to unrestricted funds are made as deemed necessary by the Trustees.

Restricted Funds

Certain grant and other income that is restricted as to its use by the donor is shown separately on the Statement of Financial Activities together with related expenditure.

Legacies

Legacy income is recognised on an accrual basis when it becomes probable that the legacy will be received and the amount is determinable. For residual legacies, this is taken to be the point in time that the will and schedule of assets and liabilities is received. For pecuniary legacies, this is taken to be the point in time that the amount is notified to us.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

Donation income

Donations, other than legacy income, and other similar income, are recorded when receivable.

Income from grants

Grants receivable are recognised in the period in which the conditions for receipt of the grant have been met.

Income from investments and deposits

Income on investments and deposits is recognised on an accruals basis.

Intangible income

Gifts of services or assets, which the Charity would otherwise have had to purchase, are reflected in the financial statements at cost to the donor, where the benefit is quantifiable and measurable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Tangible fixed asset purchases less than £5,000 are deemed de minimis, and therefore are expensed through the Statement of Financial Activities in the period in which they were acquired. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- Computer equipment is depreciated over 3 years.
- Furniture and fixtures are depreciated over 5 years.
- Leasehold improvements are depreciated over the term of the lease.

Tangible fixed assets are evaluated for impairment when there are indications that their carrying value may be greater than their recoverable amount. If an asset's carrying value is determined to be greater than its recoverable amount, an impairment charge in the amount of the excess is to be recorded on the statement of financial activities.

Fixed asset investments

Investments are stated at market value at the balance sheet date. Any realised and unrealised gains or losses are reflected within the Statement of Financial Activities.

Other investment is comprised of investments in affiliated organisations, and is stated at its historical purchase cost.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

Grant expenditure

Grants payable are recognised in the Statement of Financial Activities at the time each grant is approved and communicated to the recipient.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax that cannot be recovered. Expenses are recognised in the period in which goods and/or services are received.

Certain expenditures are directly attributable to specific activities and have been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by personnel on those activities.

Charitable expenditures are those costs incurred directly in support of expenditures on the objects of IFAW Charity and include project management.

Fundraising costs involve inducing potential donors to contribute money, securities, services, materials or time. They include publicising and conducting fundraising campaigns, maintaining donor mailing lists, preparing and distributing fundraising materials, and conducting other activities involved with soliciting.

Governance costs include the direct costs of administering the Charity. Support costs include oversight, business management, general record keeping, budgeting, financing, and all management and administration in support of charitable activities. Governance and support costs are apportioned to the relevant cost categories based upon the estimated time and effort associated with direct activities of the organisation.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Pensions and similar obligations

IFAW Charity operates a defined contribution pension scheme and costs are charged to the Statement of Financial Activities as incurred. Assets of the pension scheme are held separately to those of the company.

Foreign currencies

Operational transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Differences arising on translation are taken to the Statement of Financial Activities. Forward exchange contracts are recognised at fair value on the balance sheet date. Resulting unrealized gains or losses are taken to the Statement of Financial Activities.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets held at amortised cost comprise current asset investments, cash at bank and in hand, and debtors excluding prepayments.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary and affiliated organisation are held at cost less impairment.

The Charity enters into foreign currency forward contracts to manage the foreign change risk of future transactions and cash flows. The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognized in the profit or loss.

Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement include accrued legacy income, which is estimated based on the best information available at the balance sheet date.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

2 Donations and contributions

	2017	2016
	£	£
Sustainer donations	4,299,284	4,650,988
Sweepstakes donations	2,478,988	2,526,048
Newsletter appeal donations	2,913,164	2,959,213
Legacies	7,733,805	6,611,575
Gift aid contributions	1,658,475	1,757,212
Other donations	742,106	616,337
	<u>19,825,822</u>	<u>19,121,373</u>

This table reflects unrestricted income of £19,522,785 (2016: £18,979,383) and restricted income of £303,037 (2016: £141,990).

3 Allocation of expenses

Costs by charitable activity for fiscal year 2017 and 2016 were as follows:

	2017				
	Activities undertaken directly	Activities undertaken through grants	Support costs	Total	2016 Total
	£	£	£	£	£
Charitable activities:					
Landscape Conservation/Elephants	1,628,345	2,154,253	289,774	4,072,372	3,411,016
Marine Conservation/Whales	196,243	1,238,016	109,875	1,544,134	1,529,187
Wildlife Crime/Wildlife Trade	1,173,923	3,392,548	349,824	4,916,295	3,261,593
Community Animals/Companion Animals	1,267,097	732,614	153,192	2,152,903	2,164,581
Animal rescue	1,791,123	2,194,351	305,316	4,290,790	3,676,313
Education/Animal Action & Education	50,235	1,174,304	93,808	1,318,347	1,115,595
Total Programs	<u>6,106,966</u>	<u>10,886,086</u>	<u>1,301,789</u>	<u>18,294,841</u>	<u>15,158,285</u>

Fiscal 2017 program expenses were comprised of £17,901,779 unrestricted (FY16 £14,827,163) and £393,062 restricted (FY16 £331,122).

Cost apportionment between charitable activities is based upon:

- Activities undertaken directly – employee time and direct expenses associated with conducting programmatic activities.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

3 Allocation of expenses (continued)

- Activities undertaken through grants – nature of programmatic activities of organisations that received grant funding from IFAW Charity.
- Support costs – support activities are apportioned based upon the estimated time and effort associated with direct activities of the organisation.

Costs of raising funds for fiscal year 2017 and 2016 were as follows:

	Fundraising Costs 2017	Total 2016
	£	£
Wages and salaries	376,641	314,510
Benefits	100,342	64,069
Professional and contract fees	272,775	195,030
Printing and publications	1,122,411	1,447,354
Travel	31,534	15,461
Communications	539,644	702,391
Facilities	103,915	93,962
Office supplies and computing	20,025	32,539
Public information	2,348	35,830
Bank charges & interest	191	101
Taxes	23	26
Other	3,804	2,538
Depreciation	3,754	4,725
Institutional shared support	705,148	546,123
Subtotal	<u>3,282,555</u>	<u>3,454,659</u>
Support Costs	<u>251,467</u>	<u>262,421</u>
Total Fundraising + Support Costs	<u><u>3,534,022</u></u>	<u><u>3,717,080</u></u>

Governance costs included for fiscal year 2017 and 2016:

	2017	2016
	£	£
Auditors' remuneration		
Statutory audit - Charity auditor	16,000	14,970
Statutory audit - associate of the Charity auditor	68,791	52,779
Legal fees	151,342	168,768
Trustee indemnity insurance	10,488	8,400
	<u>246,621</u>	<u>244,917</u>

Total support costs of £1,553,257 (2016: £1,332,577) include Direct expenditure of £548,046 (2016: £454,667) and Institutional shared support costs of £1,005,211(2016: £746,970) representing the Charity's portion of worldwide support costs reimbursed to IFAW US by the Charity at cost. The apportionment of all costs is based upon the estimated amount of staff time and effort required to perform the above activities.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

4 Other recognised (losses)/gains

	2017	2016
	£	£
Unrealized (loss)/gain from foreign currency hedging contracts	(677,232)	607,454
Gain/(loss) on foreign exchange	222,274	59,760
Gain on disposal of assets	-	6,150
	<u>(454,958)</u>	<u>673,364</u>

5 Grants Payable

	2017	2016
	£	£
International Fund for Animal Welfare, Inc. (United States)*	7,495,784	5,506,177
International Fund for Animal Welfare IFAW in Action*	920,000	700,000
International Fund for Animal Welfare NPC (South Africa)*	58,286	111,915
International Fund for Animal Welfare (IFAW) Limited (Malawi)*	56,649	-
International Fund for Animal Welfare Limited (Zambia)*	7,899	-
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)*	-	134,653
Wildlife Trust of India	862,546	594,850
Wilderness Welfare Limited	355,191	64,300
Game Rangers International - Zambia	306,268	239,776
Yayasan Bali Animal Welfare Association	185,005	-
Community Led Animal Welfare (CLAW) - South Africa	154,500	127,150
Mdzananda Animal Clinic - South Africa	87,614	105,705
Tsavo Trust Limited	84,689	-
Sergey Valentinovich Pazhetnov	78,724	-
Lilongwe Wildlife Centre	67,749	2,800
Pams Foundation	66,230	-
Cercopan	24,820	20,624
Wild Animal Rescue Center	24,638	2,997
SANCCOB	22,859	19,201
Primorskii Regional Non-Commercial Organisation	9,786	68,120
Tacugama Chimpanzee Sanctuary Sierra Leone Chimpanzee Rehabilitation Programm	8,825	-
Tigers and Other Animals Rehabilitation	7,818	-
UFK for Amur Oblast Khinghan	207	960
CERU (Conservation Ecology Research Unit)	-	136,484
University Of Pretoria - South Africa	-	131,923
Orphan Bears Rehabilitation Center	-	60,781
Bali Animal Welfare Association - Indonesia	-	53,690
Paws For Kids - United Kingdom	-	15,000
Elephant Connection	-	4,147
Somerset Badger Group	-	750
The Fox Project	-	750
Cuan Wildlife Rescue	-	750
Hart Wildlife Rescue	-	750
Badger Trust	-	350
	<u>10,886,087</u>	<u>8,104,603</u>

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

5 Grants Payable (continued)

Grants made to affiliated entities were expended as follows:

	2017 £	2016 £
International Fund for Animal Welfare, Inc. (United States)		
Landscape Conservation/Elephants	1,390,954	959,981
Marine Conservation/Whales	946,703	498,196
Wildlife Crime/Wildlife Trade	2,404,717	1,614,226
Community Animals/Companion Animals	343,125	431,805
Animal Rescue	1,261,205	1,312,445
Education/Animal Action & Education	1,149,080	689,522
	<u>7,495,784</u>	<u>5,506,175</u>
	2017 £	2016 £
International Fund for Animal Welfare IFAW in Action (UK)		
Landscape Conservation/Elephants	-	-
Marine Conservation/Whales	291,313	323,097
Wildlife Crime/Wildlife Trade	559,628	237,964
Community Animals/Companion Animals	-	-
Animal Rescue	43,836	94,473
Education/Animal Action & Education	25,223	44,466
	<u>920,000</u>	<u>700,000</u>
	2017 £	2016 £
International Fund for Animal Welfare NPC (South Africa)		
Landscape Conservation/Elephants	-	30,386
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	58,286	81,528
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>58,286</u>	<u>111,914</u>
	2017 £	2016 £
International Fund for Animal Welfare (IFAW) Limited (Malawi)		
Landscape Conservation/Elephants	45,319	30,386
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	11,330	81,528
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>56,649</u>	<u>111,914</u>

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

5 Grants Payable (continued)

	2017 £	2016 £
International Fund for Animal Welfare Limited (Zambia)		
Landscape Conservation/Elephants	7,898	30,386
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	-	81,528
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>7,898</u>	<u>111,914</u>
	2,017 £	2016 £
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)		
Landscape Conservation/Elephants	-	-
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	-	55,342
Community Animals/Companion Animals	-	66,222
Animal Rescue	-	-
Education/Animal Action & Education	-	13,088
	<u>-</u>	<u>134,652</u>

6 Employees

	2017 £	2016 £
Wages and Salaries	1,074,950	985,199
Social Security Costs	235,774	141,014
Pension costs	64,856	62,597
	<u>1,375,580</u>	<u>1,188,810</u>

Staff activities are illustrated as follows:

	2017	2016
Program	8	7
Program support	4	3
Fundraising	14	12
	<u>26</u>	<u>22</u>

As of 30 June 2017 IFAW Charity had pension liabilities of £8,007 (2016: £6,828) included as a component of creditors.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

6 Employees (continued)

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

£	2017	2016
70,000 - 80,000	-	-
80,001 - 90,000	1	2
90,001 - 100,000	2	1

Contributions of £16,034 (2016: £15,677) were made into pension schemes on behalf of the above employees.

The key management personnel of the Charity are the trustees, the Regional Director – United Kingdom, the Chief Executive Officer (CEO), and the Chief Financial Officer (CFO). The trustees receive no remuneration. Salary and pension information for the Regional Director is included in the figures above. The CEO and CFO are employees of the International Fund for Animal Welfare, Inc., the United States affiliate and World Headquarters for the IFAW affiliated entities. These salaries are part of the institutional shared costs discussed in Note 3. Total employee compensation of these key management positions were £483,478 (2016: £475,846). The amount of these costs allocated to the Charity were £150,577 (2016: £137,995).

7 Trustees' emoluments

The Trustees received no remuneration in the period (2016: £nil). No expenses were reimbursed to Trustees (2016: £nil).

The Organisation pays certain meeting costs on behalf of the Trustees, such as travel and accommodations. These costs are part of the institutional shared costs discussed in Note 3. The amount of these costs allocated to the Charity were £14,794 (2016: £5,201).

Trustees are covered by indemnity insurance, the cost of which is incurred by the Charity's US affiliate, and is included as a component of institutional shared support. The cost of such insurance was £10,488 in Fiscal Year 2017 (2016: £11,672).

8 Taxation

The income of the Charity is applied exclusively to charitable purposes and is exempt from taxation in accordance with Section 505 of the Income and Corporation Taxes Act 1988.

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

9 Tangible Assets

	Leasehold Improvements £	Furniture and Fixtures £	Computer Equipment £	Total £
Cost				
At 1 July 2016	35,412	25,949	39,414	100,775
Additions	-	-	-	-
Disposals/ transfers	-	-	-	-
At 30 June 2017	35,412	25,949	39,414	100,775
Accumulated depreciation				
At 1 July 2016	21,600	19,814	26,677	68,091
Charge for the period	3,683	2,584	4,963	11,230
Disposals/transfers	-	-	-	-
At 30 June 2017	25,283	22,398	31,640	79,321
Net book value At 30 June 2017	10,129	3,551	7,774	21,454
At 1 July 2016	13,812	6,135	12,737	32,684

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

10 Fixed Asset Investments and Other Investments

	2017 £	2016 £
Fixed Asset Investments:		
Investment portfolio at 1 July	6,035,379	6,135,714
Less: Cash deposits with managers awaiting investment at 1 July	<u>(230,649)</u>	<u>(222,719)</u>
Market value at 1 July	5,804,730	5,912,995
Additions at cost	386,344	782,698
Disposal proceeds	(193,989)	(892,074)
Net investment gains/(losses)	<u>802,378</u>	<u>1,111</u>
Market value at 30 June	6,799,463	5,804,730
Add: Cash deposits with managers awaiting investment at 30 June	133,141	230,649
Investment portfolio at 30 June	<u><u>6,932,604</u></u>	<u><u>6,035,379</u></u>
Historical Cost:		
Investments portfolio at cost at 30 June	<u><u>5,042,192</u></u>	<u><u>4,789,415</u></u>

Market value comprises:

	2017 £	2016 £
Equities:		
Services	511,921	701,817
Financials	2,806,677	2,246,503
Fixed Income	1,471,853	1,423,455
Utilities	681,589	464,748
Consumer goods	436,052	142,338
General industry	546,900	825,869
Property Funds	<u>344,471</u>	<u>-</u>
	<u><u>6,799,463</u></u>	<u><u>5,804,730</u></u>

No individual investment was greater than 10% of the portfolio. All investments are listed securities held within the United Kingdom.

Other investment is a 1/6th interest in International Fund for Animal Welfare (Australia) Pty Ltd, an affiliated Organisation at a cost of £1. The investment is reported at cost, as the Organisation owns a minority interest and exercises no managerial or operational control over this entity.

Other investment of the Charity only is £151. This represents the 1/6 interest discussed above and £150 capital in the trading subsidiary IFAW Commerce Limited (Note 21).

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2017 (continued)

11 Debtors: Amounts falling due within one year

	2017 £	2016 £
Accrued legacy income	2,992,664	2,930,071
Other accrued income	276,062	302,702
Prepayments	150,027	117,220
Due from connected organisations (see note 14)	502,951	583,437
Foreign Exchange Hedging Contracts	-	659,504
	<u>3,921,704</u>	<u>4,592,934</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,100,712	1,211,996
Due to connected organisations (see note 14)	6,759	94,872
Accruals	208,064	163,495
Foreign Exchange Hedging Contracts	69,778	52,050
	<u>1,385,313</u>	<u>1,522,413</u>

13 Net movement in funds

Net movement in funds is stated after charging

	2017 £	2016 £
Property lease rental	273,483	254,679
Depreciation of owned tangible fixed assets	11,231	14,966
	<u>284,714</u>	<u>269,645</u>

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Notes to the financial statements for the year ended 30 June 2017 (continued)

14 Lease commitments

At 30 June 2017, the Charity had total commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Expiring in over five years	<u>573,660</u>	<u>717,075</u>

15 Membership of the company

The Charity was incorporated on 27 March 1992 and is limited by the guarantee of its members. The guarantee of each member is restricted to one pound. The members are the directors of the company and also act as trustees for the charitable activities of IFAW Charity.

16 Related party transactions

The Charity is connected with the following UK and non-UK organisations:

Name	Country
International Fund for Animal Welfare (Australia) Pty Ltd	Australia
International Fund for Animal Welfare Inc./ Fonds international pour la protection des animaux inc.	Canada
Fonds international pour la protection des animaux (IFAW France)	France
Fonds International pour la Protection des Animaux (IFAW)	France
IFAW Internationaler Tierschutz-Fonds gGmbH	Germany
International Fund for Animal Welfare (IFAW) Limited	Malawi
Stichting IFAW (International Fund for Animal Welfare)	Netherlands
International Fund for Animal Welfare NPC	South Africa
International Fund for Animal Welfare (IFAW)	United Kingdom
International Fund for Animal Welfare, Inc.	United States
International Fund for Animal Welfare Limited	Zambia

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2017 (continued)

16 Related party transactions (continued)

Amounts owed by connected organisations at 30 June:

	2017 £	2016 £
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	202,898	187,978
Stichting IFAW (Netherlands)	44,182	79,165
International Fund for Animal Welfare (Australia) Pty Ltd	95,563	84,229
International Fund for Animal Welfare (France)	121,057	130,253
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	36,880	100,229
International Fund for Animal Welfare (IFAW) Limited (Malawi)	893	-
International Fund for Animal Welfare Limited (Zambia)	1,478	-
International Fund for Animal Welfare IFAW in Action (UK)	-	1,583
	<u>502,951</u>	<u>583,437</u>

Amounts owed to connected organisations at 30 June:

	2017 £	2016 £
International Fund for Animal Welfare, Inc. (United States), net	4,091	92,288
International Fund for Animal Welfare NPC (South Africa), net	2,518	2,434
IFAW Commerce Limited (United Kingdom)	150	150
	<u>6,759</u>	<u>94,872</u>

Income received from connected organisations:

	2017 £	2016 £
International Fund for Animal Welfare, Inc. (United States)	110,539	95,352
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	25,550	63,852
Stichting IFAW (Netherlands)	-	7,884
International Fund for Animal Welfare IFAW in Action (UK)	-	40
	<u>136,089</u>	<u>167,128</u>

This table reflects restricted grants from connected organisations of £136,089 (2016: £167,106). There were no unrestricted grants from connected organisations (2016: £20).

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2017 (continued)

16 Related party transactions (continued)

Grants paid to connected organisations:

	2017 £	2016 £
International Fund for Animal Welfare, Inc. (United States)	7,495,784	5,506,177
International Fund for Animal Welfare IFAW in Action (United Kingdom)	920,000	700,000
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	-	134,653
International Fund for Animal Welfare NPC (South Africa), net	<u>58,286</u>	<u>111,915</u>
	<u>8,474,070</u>	<u>6,452,745</u>

During Fiscal year 2017 International Fund for Animal Welfare, Inc. (IFAW US) provided certain program, fundraising and administrative activities for all the IFAW entities. Such shared support includes shared finance, technology and human resource support. The cost of this shared support is reimbursed to IFAW US by the Charity at cost. These costs are reported as a component of institutional shared support totalling £5,001,050 (2016: £3,761,177).

17 Funds

As part of the Charity's overall reserves and risk management strategies, the Trustees voted to adopt an Institutional Financial Reserves Policy at the October 2013 Board of Trustees meeting. The worldwide affiliated IFAW entities are financially and operationally interdependent, and therefore the policy established discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

- Operating reserves – intended to provide an internal source of funds for unseen situations
- Capital reserves – maintained (as needed) to provide financial resources in support of capital acquisitions
- Strategic reserves – intended to provide unrestricted financial resources to support the organisation's long range strategic objectives
- Donor endowments – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

This structure is intended to mitigate financial risks embedded in the Organisation's operating activities and position the Organisation to pursue programmatic and institutional program activities. IFAW intends to maintain global operating reserves of approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures. Concurrent with the Financial Reserves Policy, the Directors voted to adapt a revised Institutional Investment Policy Statement to support the goals and objectives of the respective reserve funds.

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2017 (continued)

17 Funds (continued)

IFAW Charity's funds were comprised of the following as of 30 June 2017 and 2016:

	General Fund	Designated Fund	Restricted Fund	Total
	£	£	£	£
At 1 July 2016	15,416,779	-	3,588	15,420,367
Incoming resources	19,678,657	-	439,126	20,117,783
Resources expended	(21,435,801)	-	(393,062)	(21,828,863)
Unrealised gains on investments	67,762	-	-	67,762
Realised gains on investments	52,381	-	-	52,381
Other gains/(losses)	222,275	-	-	222,275
At 30 June 2017	14,002,052	-	49,652	14,051,704
At 30 June 2016	15,416,779	-	3,588	15,420,367

During Fiscal year 2017 the Charity received funds from donors and affiliated organisations totalling £439,126 (2016: £309,096), which were restricted to use for costs associated with the Charity's priority and regional programs. During Fiscal year 2016, restricted funds totalling £393,062 (2016: £331,122) were expended. Amounts restricted as to use as of 30 June 2017 and 2016 are illustrated as follows:

	2017	2016
	£	£
Landscape Conservation/Elephants	48,604	-
Marine Conservation/Whales	1,048	-
Wildlife Trade/Wildlife Crime	-	3,588
	<u>49,652</u>	<u>3,588</u>

International Fund for Animal Welfare (IFAW)

Company registered number 2701278

Notes to the financial statements for the year ended 30 June 2017 (continued)

17 Funds (continued)

Net assets by fund were comprised of the following at 30 June 2017:

	General Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£
Fixed assets	6,820,918	-	-	6,820,918
Current assets	8,566,297	-	49,652	8,615,949
Current liabilities	<u>(1,385,163)</u>	<u>-</u>	<u>-</u>	<u>(1,385,163)</u>
Net assets	<u>14,002,052</u>	<u>-</u>	<u>49,652</u>	<u>14,051,704</u>

18 Notes to the cash flow statement

Note 18a	2017	2016
	£	£
Net movement in funds	(1,368,664)	1,575,773
Deduct investment income shown in investing activities	(155,872)	(159,111)
Add back depreciation charge	11,231	14,967
Realised (gains)/losses from tangible investments	(794,338)	(1,110)
Foreign exchange gain	222,274	59,760
(Increase)/decrease in debtors	671,230	(1,378,427)
(Decrease)/increase in creditors	<u>(137,100)</u>	<u>248,990</u>
Net cash provided by operating activities	<u>(1,551,239)</u>	<u>360,842</u>

Note 18b	2017	2016
Cash and cash equivalents	£	£
Cash at bank and in hand	4,360,493	6,081,361
Money market investments	200,610	200,271
Cash Investments	<u>133,142</u>	<u>230,649</u>
	<u>4,694,245</u>	<u>6,512,281</u>

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2017 (continued)

19 Financial instruments

The carrying amount of the Organisation's financial instruments at 30 June were:

	2017	2016
	£	£
Financial assets		
Instruments measured at fair value through profit and loss	6,932,604	6,694,883
Debt instruments measured at amortised cost	3,771,677	3,816,210
	<u>10,704,281</u>	<u>10,511,093</u>
Financial liabilities		
Measured at fair value through profit and loss	69,778	52,050
Measured at amortised cost	1,276,129	1,438,363
	<u>1,345,907</u>	<u>10,511,093</u>

20 Forward contracts

The Organisation hedges certain anticipated cash flows using forward exchange contracts. As at 30 June 2017, the charity had outstanding contracts totalling £ 6,575,000 (2016: £7,612,000) covering cash flows over the following twelve months. The fair value of these contracts at 30 June 2017 was £(88,305) (2016: £607,454).

21 Trading subsidiary: IFAW Commerce Limited (Company Registered Number 7572366)

IFAW Commerce Limited is a wholly owned subsidiary of the Charity. The principal activity of IFAW Commerce Limited was that of undertaking research activities to support the aims of the charity, utilizing the research vessel *Song of the Whale*. In Fiscal 2013, the Directors of the company and the Trustees of the parent took the decision to grant the vessel and related equipment on economic grounds. On 6 March, 2014, the *Song of the Whale*, was granted, for no consideration, to the not for profit organisation Marine Conservation Research International. Under the terms of the grant they are required to use it for charitable purposes for the rest of its estimated useful life of five years.

As a result of this grant, and the lack of financial activity since 2014 IFAW Commerce Limited's shared capital of £150 is not consolidated in these financial statements.